



Department of Justice

FOR IMMEDIATE RELEASE
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**JUSTICE DEPARTMENT REACHES AGREEMENT WITH CORESTATES AND MERIDIAN
FOR OVER \$400 MILLION DIVESTITURE IN PENNSYLVANIA**

WASHINGTON, D.C. -- The Department of Justice today cleared a Pennsylvania bank merger involving CoreStates Financial Corp and Meridian Bancorp. Inc.--a deal valued at approximately \$3.8 billion--after the banks agreed to divest 11 branch offices with reported deposits of about \$444 million. The Department's Antitrust Division conducted a joint investigation with the Pennsylvania Attorney General's Office.

The banks agreed to divest 11 Meridian branch offices in Pennsylvania in order to resolve the Division's concerns that the merger would lessen competition for banking services available to small and medium-sized businesses.

The banks agreed to divest 10 branch offices in the Reading area, with total deposits of approximately \$413 million and to divest a branch in Lebanon, Pennsylvania, with deposits of approximately \$31 million.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "The CoreStates/Meridian merger presented a significant risk to competition for business banking services in Eastern Pennsylvania markets. These divestitures

will preserve competition by making branches and branch networks available to serve the needs of local business communities."

Bingaman said that the agreement also exemplified the close cooperation between federal and state antitrust enforcement agencies which this administration has emphasized.

The Department said it will advise the Federal Reserve Board that, subject to the sale of the branch offices to competitively suitable purchasers, the Department will not challenge the merger.

CoreStates is based in Philadelphia and has more than 400 offices with about \$22 billion in deposits and \$29 billion in total assets.

Meridian is based in Reading and has more than 300 offices with about \$12 billion in total deposits and over \$15 billion in total assets.

The proposed merger of CoreStates and Meridian is subject to the approval of the Federal Reserve Board.

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